

(1) \$4,400,000 for fiscal year 2014 and \$4,400,000 for fiscal year 2015 is provided solely as state match for federal safe drinking water funds.

(2) For projects involving repair, replacement, or improvement of a clean water infrastructure facility or other public works facility for which an investment grade efficiency audit is obtainable, the public works board must require as a contract condition that the project sponsor undertake an investment grade efficiency audit. The project sponsor may finance the costs of the audit as part of its drinking water state revolving fund program loan.

Appropriation:

State Building Construction Account--State	\$8,800,000
Drinking Water Assistance Repayment Account--State . .	\$200,000,000
Subtotal Appropriation	\$208,800,000
Prior Biennia (Expenditures)\$0
Future Biennia (Projected Costs)	\$680,000,000
TOTAL	\$888,800,000

NEW SECTION. **Sec. 1074.** **FOR THE DEPARTMENT OF COMMERCE**

Clean Energy and Energy Freedom Program (910000582)

The appropriations in this section are subject to the following conditions and limitations:

(1) All expenditures from the state taxable building construction account--state appropriation in this section must be used for projects that provide a benefit to the public through development, demonstration, and deployment of clean energy technologies that save energy and reduce energy costs, reduce harmful air emissions or otherwise increase energy independence for the state. All expenditures must be used for projects that develop and acquire assets that have a useful life of at least thirteen years. These requirements must be specified in funding agreements issued by the department.

(2) For any project funded from the state taxable building construction account--state appropriation in this section, state funds must not exceed fifty percent of the estimated cost of a project, and funding preference must be provided to projects that offer a higher percentage of nonstate match funds.

1 (3) (a) \$15,000,000 of the state taxable building construction
2 account--state appropriation in this section is provided solely to
3 create a revolving loan fund to support the widespread use of proven
4 building energy efficiency and renewable energy technologies now
5 inhibited by lack of access to capital.

6 (b) To create the loan fund, the department shall provide grant
7 funds to a competitively selected nonprofit lender that will provide
8 matching private capital and will administer the loan fund. The
9 department must select the loan fund administrator through a
10 competitive process, with scoring conducted by a group of qualified
11 experts, applying criteria specified by the department.

12 (c) The department must establish guidelines for the lender related
13 to applicant eligibility, the screening process, and evaluation and
14 selection criteria. The criteria must include requiring evidence of
15 support for the proposed project from the impacted community and
16 consistency with economic growth strategies and plans of the affected
17 local governments. Applications for loans from the revolving fund must
18 disclose all sources of public funding to be provided for a project.
19 The nonprofit lender must use the revolving loan fund to make
20 affordable loans for projects including, but not limited to:
21 Residential and commercial energy retrofits, residential and community-
22 scale solar installations, anaerobic digesters to treat dairy and
23 organic waste, and combined heat and power projects using woody biomass
24 as a fuel source.

25 (d) The department must conduct due diligence activities associated
26 with the use of public funds, including oversight of the project
27 selection process and project monitoring.

28 (e) Projects seeking financing of solar installations under this
29 section must agree in contract to not participate in the cost-recovery
30 program under RCW 82.16.120.

31 (4) \$15,000,000 of the state taxable building construction
32 account--state appropriation in this section is provided solely for
33 grants to advance renewable energy technologies by public and private
34 electrical utilities that serve retail customers in the state. The
35 department shall work with utilities to offer matching grants for
36 projects that demonstrate new smart grid technologies. The department
37 shall develop a grant application process to competitively select
38 projects for grant awards, to include scoring conducted by a group of

qualified experts with application of criteria specified by the department. Applications for grants must disclose all sources of public funding to be provided for a project. The grant funds must be used to fund projects that demonstrate how to: Integrate intermittent renewables through energy storage and information technology, dispatch energy storage resources from utility control rooms, use the thermal properties and electric load of commercial buildings and district energy systems to store energy, or otherwise improve the reliability and reduce the costs of intermittent or distributed renewable energy.

(5) \$6,000,000 of the state taxable building construction account--state appropriation in this section is provided solely for grants to match federal funds used to develop and demonstrate clean energy technologies. The department shall work with the University of Washington, Washington State University, and the Pacific Northwest National Laboratory to offer matching funds for projects including, but not limited to: Advancing energy storage and solar technologies, and federal manufacturing innovation centers related to use of light-weight carbon fiber components to advance energy efficiency in the aeronautical, automotive, and marine sectors.

(6) The department must report on number and results of projects funded through the clean energy fund, including the number of job hours created and the number of jobs maintained and created, to the governor and the legislature, by November 1, 2014.

(7) The energy recovery act account--federal appropriation in this section is provided solely for loans, loan guarantees, and grants that encourage the establishment of innovative and sustainable industries for renewable energy and energy efficiency technology, consistent with provisions of RCW 43.325.040 (energy freedom account).

Appropriation:

State Taxable Building Construction Account--State . . .	\$36,000,000
Energy Recovery Act Account--Federal	\$4,000,000
Subtotal Appropriation	\$40,000,000
Prior Biennia (Expenditures)\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$40,000,000

NEW SECTION. **Sec. 1075. FOR THE DEPARTMENT OF COMMERCE**

2013-2015 Energy Efficiency Grants (30000193)